

March 8, 2011

*Statement of Frank J. Chesky III of CT Bingo Supply, LLC Regarding H.B. No. 6389 – An Act Transferring the Responsibility of the Division of Special Revenue, Consumer Counsel, Healthcare Advocate and Board of Accountancy to the Department of Consumer Protection.*

Senator Doyle, Representative Taborsak and distinguished members of the General Law Committee, I thank you for the opportunity to provide testimony today regarding portions of the Governor's Bill No. 6389, which transfers the responsibility of the Division of Special Revenue ("DOSR") to the Department of Consumer Protection ("DCP").

I am the co-owner of CT Bingo Supply, LLC, the largest supplier of Bingo and charitable games supplies and equipment in Connecticut. Since my father started the business over 25 years ago, we have grown to serve over 150 non-profit organizations in Connecticut as a licensed distributor of Bingo paper and equipment and sealed ticket vending machines. Our customers are your communities' churches, synagogues, veterans' and legion organizations and fraternal clubs, such as the VFW, the American Legion, the Elks, and the Knights of Columbus.

I am appearing before you today because I have grave concerns over portions of the Governor's proposed budget that would eliminate the Charitable Games Unit of the DOSR and eliminate sealed tickets as a charitable game. Although the Governor's proposal transfers the DOSR to the DCP, the Charitable Games Unit along with its regulatory oversight is completely eliminated. If passed, one of two things will occur. Either charitable games like sealed tickets will be abolished entirely, thereby depriving many non-profits of an effective means of fundraising, or some charitable games like Bingo will continue to run in an unregulated environment. The result will be costly for Connecticut's non-profits, the businesses that supply them, and the State, and Connecticut would become the only state in the nation that has legalized, but unregulated, charitable games.

Many of you may not realize this but Bingo became popular in the U.S. during the Great Depression, quickly becoming a popular, social form of entertainment with a chance win a little money along the way. Bingo has been legal in Connecticut since 1939; sealed tickets became legal in 1987. Today, charitable games play a vital role in the fundraising efforts of some 1,715 licensed non-profit groups in Connecticut. In 2009, non-profits raised nearly \$22 million through charitable gaming resulting in a transfer to the State's General Fund of over \$1 million.

I recognize that Connecticut, like most others, is facing enormous budget constraints. Elimination of the Charitable Games Unit may save the State money in the short run, but the costs in the long run will far outweigh any short-term benefit. Instead, there are several opportunities to streamline current charitable games laws and regulations. For example, the State currently buys sealed tickets from a manufacturer and sells them directly to the non-profits. It is an inefficient system that fails to maximize the revenue potential for sealed tickets. A better, less costly approach would be to privatize the distribution system for sealed tickets through one or more in-state, licensed companies, and let the State continue its oversight responsibilities. This would create jobs in Connecticut, and keep charitable games alive for those who enjoy them and the organizations that depend on them to provide vital social services to the people of Connecticut.

I ask that sensible revisions be made to Governor's Bill No. 6389 before further action is taken on it, and again thank you for the opportunity to provide my testimony.